



# Health Care Spending Bulletin

Health Care Spending Bulletins are designed to keep managers informed of relevant and significant statistical information about Medicare and Medicaid populations, providers, utilization and expenditures as well as national health care costs.

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## End-Stage Renal Disease -- A Profile of Facilities Furnishing Treatment

### Medicare and ESRD

The Medicare ESRD program is designed to assure qualifying beneficiaries access to high quality, cost-effective medical care. To a large extent, it has succeeded in making care available. Today, over 90 percent of all patients being treated for ESRD ultimately receive some Medicare reimbursement.

This bulletin is the first in a series on the Medicare ESRD program and discusses the growth in the number of participating renal facilities furnishing some form of ESRD treatment. (See glossary for definition of terms.)

### Growth in Numbers and Types of Facilities (Figure 1)

- o Since the ESRD program began in 1973, the total number of renal facilities has more than doubled to 1,309 in 1983. From 1982 to 1983 alone, there were 7.5 percent more participating ESRD facilities.
- o The growth in the number of renal facilities has been primarily among freestanding units, i.e., units not affiliated with hospitals. In 1973, freestanding units represented about one out of nine renal facilities (11.2 percent); hospital units or hospital satellites made up the remaining eight out of nine (88.8 percent). By 1983, almost one out of every two renal facilities (47.9 percent) was freestanding.

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Ownership or Control (Table A)

- o In 1983, almost four out of every 10 (38.5 percent) renal facilities were proprietary and were almost exclusively freestanding. Proprietary facilities represent an increasing proportion of all facilities.
- o Nonprofit renal facilities, on the other hand, are mainly hospital based (that is, either hospital units or hospital satellites).

Type of Renal Care Provided (Table B)

- o In 1983, just over 6,000 renal transplants were performed in 155 renal hospital units called "transplant centers." (A total of 159 units were actually approved to perform transplants.) All but 13 of these transplant centers also provide outpatient dialysis services.
- o Patients not receiving kidney transplants receive dialysis care either at home or at one of the 1,296 renal facilities providing at least one dialysis service. The overwhelming majority (1,247) of these facilities provide care in a predominantly outpatient setting. Of this number, 738 are "dialysis facilities," which means they are approved to furnish at least one dialysis service. These facilities may be in either a hospital (111) or nonhospital (627) setting.
- o Another 509 are called "dialysis centers" as opposed to dialysis facilities. These are hospital units which, in addition to providing dialysis service(s), are also approved to furnish the full spectrum of diagnostic, therapeutic, and rehabilitative services. Of the total number of dialysis centers, 146 are also transplant centers.
- o Finally, 49 renal dialysis centers are defined as "inpatient care" centers because they provide backup dialysis services only, and 20 percent or less of their dialysis is performed on an outpatient basis.

Regional Comparisons--Dialysis Facilities and Populations

- o There is over a threefold variation in the proportion of all facilities that are freestanding, from a low of 22 percent in New York to a high of 75 percent in Atlanta.
- o Most of the services and supplies needed by people with permanent kidney failure are covered only by SMI--e.g., outpatient

maintenance dialysis, self-dialysis training, and home dialysis. While the number of ESRD SMI enrollees varies considerably by region (Figure 2), ESRD enrollees as a percent of total enrollees is relatively constant across regions (Figure 3).

- o The number of dialysis stations per 1,000 ESRD SMI enrollees varies significantly by region, from a low of 110 in Seattle to a high of 225 in Denver; however, those regions such as Seattle with low outpatient dialysis stations may have a high home dialysis population.

TABLE A

Number of Certified ESRD Providers/Facilities, by  
Type of Ownership and Type of Facility, 1980-1983

	1980		1981		1982		1983	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<u>All Facilities</u>	1,073	100.0	1,162	100.0	1,218	100.0	1,309	100.0
<u>Proprietary</u>	323	30.1	408	35.1	437	35.9	504	38.5
<u>Hospital Based</u>	23	2.1	21	1.8	14	1.1	14	1.1
Hospitals	23	2.1	21	1.8	14	1.1	14	1.1
Hospital Satellites	0	0.0	0	0.0	0	0.0	0	0.0
<u>Freestanding</u>	300	28.0	387	33.3	423	34.7	490	37.4
<u>Nonprofit</u>	750	69.9	754	64.9	781	64.1	805	61.5
<u>Hospital Based</u>	620	57.8	655	56.4	677	55.6	668	51.0
Hospitals	593	55.3	625	53.8	643	52.8	638	48.7
Hospital Satellites	27	2.5	30	2.6	34	2.8	30	2.3
<u>Freestanding</u>	130	12.1	99	8.5	104	8.5	137	10.5

TABLE B

Number of Certified ESRD Facilities, by Type of Facility and by Type of Service, Grouped by Various Levels of Care or Facility Characteristics, as of December 1983

	Total Facilities (1)	Dialysis (Primarily outpatient with some inpatient)					Dialysis Inpatient	Dialysis (Total)	Approved Dialysis Stations Number (11)	Per 1,000 Enrollees (12)		
		Transplant			Total Dialysis Facilities & Centers (5)	Dialysis Center Only (Hospital) (6)	Dialysis Facility (Hospital) (7)	Dialysis Facility (Non-hospital) (8)			Inpatient Care (Hospital) (9)	Total All Dialysis Suppliers (10)
		Total Transplant Centers (Hospital) (2)	Transplant Center Only (Hospital) (3)	Dialysis & Transplant Center (Hospital) (4)								
All Regions	1,309	159	13	146	1,247	363	111	627	49	1,296	15,511	181
Alaska	53	11	0	11	53	26	2	14	0	53	602	132
California	130	10	2	16	128	79	5	20	0	128	1,476	127
Florida	176	20	0	20	169	49	7	93	7	176	2,091	214
Illinois	257	21	1	20	245	21	12	192	11	256	3,428	210
Indiana	202	33	1	32	190	76	30	52	11	201	2,499	165
Iowa	176	20	3	17	160	35	16	100	5	173	2,018	218
Kansas City	52	10	1	9	51	14	13	15	0	51	569	155
Massachusetts	45	3	0	3	41	11	0	19	4	45	400	225
Michigan	109	18	2	16	177	43	18	100	10	187	2,194	188
Minnesota	29	5	3	2	25	9	0	14	1	26	234	110

Col. (1) = unduplicated count of all certified ESRD facilities = (3) + (4) + (6) + (7) + (8) + (9)

Col. (2) = total transplant centers (exclusively hospital based) = (3) + (4)

Col. (5) = total ESRD facilities providing primarily outpatient dialysis (including hospital based and free standing) = (4) + (6) + (7) + (8)

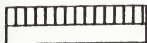
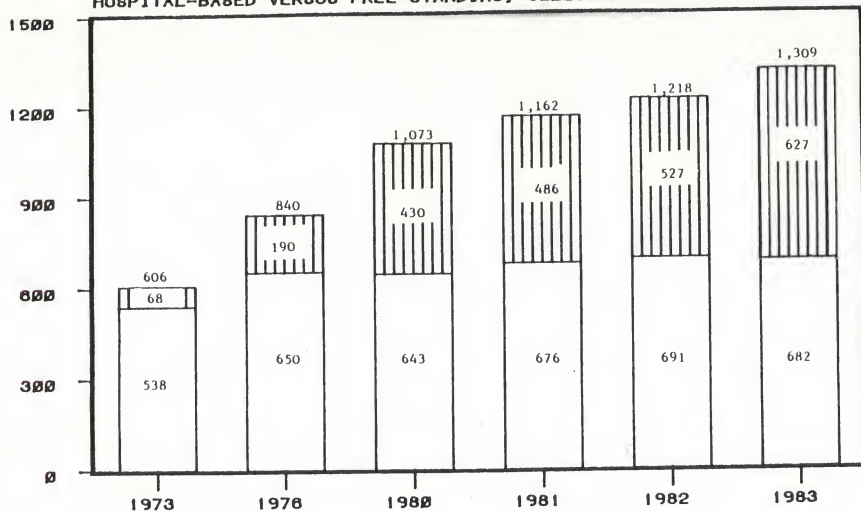
Col. (10) = total ESRD facilities providing dialysis (including hospital based and free standing) = (4) + (6) + (7) + (8) + (9)

Total hospital based facilities (including transplant and dialysis) = (3) + (4) + (6) + (7) + (9)

Total dialysis facilities (including hospital and free standing) = (7) + (8)

FIGURE 1

MEDICARE: NUMBER OF ESRD FACILITIES,  
HOSPITAL-BASED VERSUS FREE-STANDING, SELECTED YEARS



FREE-STANDING  
HOSPITAL-BASED



FIGURE 2

MEDICARE: NUMBER OF SMI ESRD ENROLLEES,  
BY REGION, JULY 1983

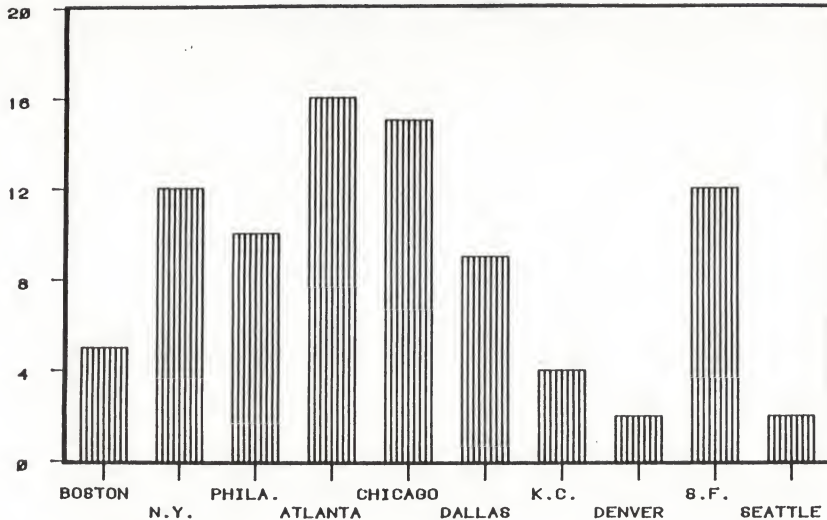
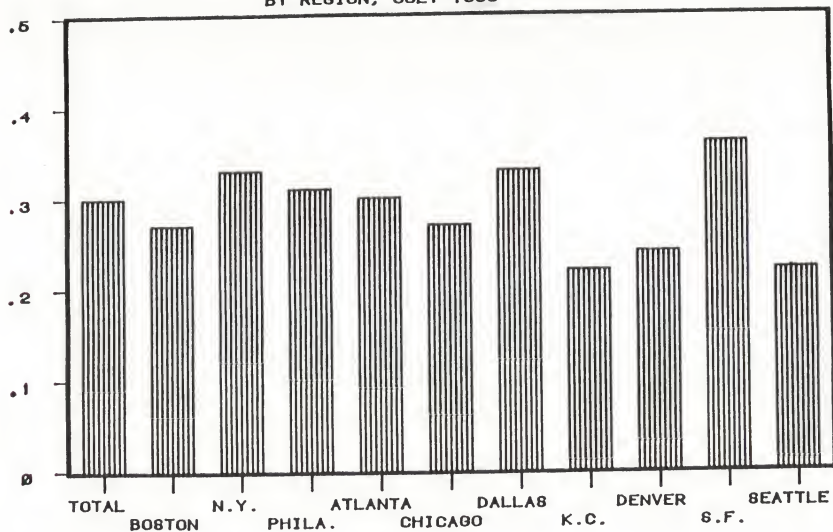


FIGURE 3

MEDICARE, ESRD AS A PERCENT OF TOTAL SMI ENROLLEES,  
BY REGION, JULY 1983

PERCENT



## GLOSSARY OF TERMS

- Dialysis - A process of maintaining the chemical balance of the blood when the kidneys have failed; specifically, a process by which dissolved substances are removed from a patient's body by diffusion from one fluid compartment to another across a semipermeable membrane. The types of dialysis currently used are hemodialysis, peritoneal dialysis, continuous ambulatory peritoneal dialysis, and continuous cycling peritoneal dialysis.
- Dialysis station - The treatment area which is designed and equipped to provide adequate and safe dialysis therapy, as well as privacy and comfort for patients.
- Dialysis center - A hospital unit approved to furnish the full spectrum of diagnostic, therapeutic (including patient dialysis furnished directly or under arrangement) and rehabilitative services, except renal transplantation, for the care of ESRD dialysis patients.
- Dialysis facility - A unit (hospital based or freestanding) which is approved to furnish dialysis service(s) to ESRD patients.
- End-stage renal disease (ESRD) - That stage of renal impairment which is irreversible and permanent and requires dialysis or kidney transplantation to ameliorate uremic symptoms and maintain life.
- ESRD facility - A supplier of health care services that is approved to furnish at least one specific ESRD service.
- Hemodialysis - A method of dialysis in which blood from a patient's body is circulated through an external device or machine and thence returned to the patient's bloodstream. Such an artificial kidney machine usually is designed to remove fluids and metabolic end products from the bloodstream by placing the blood in contact with a semi-permeable membrane which is bathed on the other side by an appropriate chemical solution referred to as dialysate.
- Inpatient Care Only - A renal dialysis center which performs backup services for dialysis facilities and performs 20 percent or less of their dialysis on an outpatient basis.
- Inpatient dialysis - Dialysis which, because of medical necessity, is furnished to an ESRD patient on a temporary inpatient basis in a hospital.

Transplant - The surgical procedure that involves excising an organ from either a cadaver or from a living donor and implanting it in the patient.

Transplant center - A hospital unit which is approved to furnish direct transplantation and other medical and surgical specialty services for the care of ESRD transplant patients, including inpatient dialysis furnished directly or under arrangement.

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